

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1024 - HB 1278

March 18, 2021

SUMMARY OF BILL: Prohibits the use of vapor products in all enclosed places within the state meeting certain requirements. Removes exemptions provided to certain establishments regarding the use of smoking and the use of vapor products. Authorizes certain local governments to regulate smoking and the use of vapor products in age-restricted venues, hotels, private clubs, public property, and parks.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures – Exceeds \$5,000/FY21-22/Permissive

Assumptions:

- The proposed language:
 - Is applicable to Williamson, Rutherford, Hamilton, Knox, Davidson, and Shelby counties and the 36 municipalities located partially or entirely within their boundaries; and
 - Authorizes such localities to regulate smoking and the use of vapor products in age-restricted venues, hotels, certain private clubs, public property, and parks.
- According to the Department of Health, there will be no increase in state expenditures as a result of local government regulation or the removal of exemptions from certain establishments.
- Pursuant to Tenn. Code Ann. § 39-17-1805(a), signage must be placed clearly and conspicuously at every entrance to any public locations where smoking is prohibited.
- Any local government owning and operating a park or public property will be responsible for costs associated with erecting such signage if the local government opts to prohibit smoking and the use of vapor products.
- Signs are estimated to cost an average of \$25 per sign.
- It is reasonably estimated there will be at least 100 locally-owned locations within such localities where smoking and the use of vapor products will be prohibited.
- Each location is assumed to require two signs.
- The proposed language will result in a one-time permissive increase in local expenditures exceeding \$5,000 (100 locations x \$25 per sign x 2 signs per location) for all applicable localities.
- Any fine revenue collected by local governments as a result of violations of the regulation is estimated to be not significant.

IMPACT TO COMMERCE:

Other Commerce Impact – Any impact to commerce or jobs in Tennessee cannot reasonably be determined.

Assumptions:

- It is unknown how many applicable local governments will opt to regulate private businesses which are not currently regulated under state law, and if any regulating local government will require the prohibition of smoking and use of vapor products on the property of the private business and ultimately require the private business to purchase signage pursuant to Tenn. Code Ann. § 39-17-1805(a).
- Any impact to commerce or jobs in Tennessee cannot reasonably be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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